

Springerville Town Council
Minutes
Audit/Budget Workshop
June 19, 2007

Present: Kay Dyson Mayor, Mary Nedrow Vice Mayor and Councilman Phelps Wilkins

Excused: Councilmember's Hunt and Wilkins

Staff: Scott Garms Town Manager, Val Cordova Town Clerk, Steve West Chief of Police, Larisa Bogardus Community Development, Christina Hill and Karen Asquith CFO.

Public: Dave Rempel

1. The meeting was called to order at 6:05 by Mayor Dyson
2. Town of Springerville Budge and Audit: Discussion regarding the Town's audit and FY 07/08 budget.

CFO Karen Asquith gave an overview of the year ended 2006 audit results received in May. She emphasized that these results are a year old and briefly reviewed the government wide financial statements summarizing the activities of the town and the other fund statements as well as the findings and recommendations of the auditors. (HintonBurdick letter attached)

She discussed the budget but noted that she would like to have a work session dedicated specifically to the budget. She talked about the activities of the general fund with transfers to various other funds and explained why there were transfers. She showed the council a condensed income statement explaining the losses in the sewer fund and the transfers from the general fund to keep it going noting that this was an integrated problem running throughout town operations. This will be continuing discussions for the next several months. We need to get proactive in raising revenues. Her suggestion was to approach budgeting through financial planning and not just budgeting.

Ms. Asquith stated that she is trying to establish a baseline set of operating expenses for the town to figure out what it will cost to pay the basics for the town. She had not figured out what all of the existing commitments of the town are presently.

Capital projects: Discussion has been taking place in house to set some standards for rehabbing roads, water and sewer plans. She suggested committing funds for rehab instead of putting these into capital projects that them routine.

Water/sewer fund: Ms. Asquith advised the council that the water fund is a business type activities and depreciation is required. She will be budgeting a depreciation expense this year cause they are a cost.

She said that this is going to be a tuff budgeting session this year and there will be a lot of cuts. She proposed doing quarterly budget meeting and get proactive in raising revenue. The enterprise funds need to have repair and replacement reserves.

She noted that debt can be a useful tool. We are going to have to look at raising revenues, look at debt options and what kind of things we can do to cut expenses. We'll look at grant funding impact versus match. She would like to budget with the idea of planning.

Contingency fund: On the advice of the auditors this fund was tagged to be eliminated. Regarding reserves, she also advised the council that there should be X number of months of operating expenses in the bank and get a financial policy in place.

Ms. Asquith said she would like to request a rate study because we are not budgeting but are planning and it should be defensible and have some substance. She would like to discuss sustaining rate increases in the future. There are a lot of things we can do to fix the problem such as rate increases, capacity fees and need to gauge the impact of each one. There is not one thing that will fix the problem it is going to take a combination. The next budget session she will review existing commitments, capital projects requests and hopefully increase the revenue projections in this budget. She said she budgeted conservatively.

3. Mary Nedrow/Kay Dyson motion to adjourn the meeting at 7:15 p.m.

Vote:	Ayes:	Kay Dyson
		Mary Nedrow
		Phelps Wilkins

Kay Dyson, Mayor

ATTEST:

Town Clerk

I hereby certify that the foregoing is a true and correct copy of the minutes of the Springerville Town Council in a work session on Wednesday June 19, 2007. I further certify that the meeting was duly called and quorum was present.

Dated this 27th day of June 2007

Town Clerk